Nora King

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Bill for 2/2010

Proposal to only allow properly licensed real estate appraisers to collect or charge a fee in connection with a real estate appraisal.

Over the past 12 to 18 months myself as well as many of my colleagues have noticed a significant increase in the number of appraisal requests from appraisal management companies aka AMC's. This increase is believed to be attributable largely in part to the implementation of the Home Valuation Code of Conduct aka HVCC which took effect on 05/01/2009.

The primary function of the appraisal management company is to locate appraisers who are able to fulfill appraisal assignments for their clients who are typically mortgage brokers, mortgage lenders and or banks. The underlying goal of the appraisal management company is to locate an appraiser who will perform the appraisal assignment at the lowest fee thereby ensuring the greatest profit margin for the appraisal management company. The appraisal management company will typically be compensated for their service in one of the following three ways:

1) They collect a referral fee directly from the appraiser.
2) They markup the cost of the appraisal to the bank/lender.
3) They charge the homeowner a fee for the appraisal which is greater than the fee charged by the appraiser for their service.

In some instances appraisers have reported seeing appraisal management companies mark up the cost of an appraisal by as much as 100% for doing nothing more than locating an appraiser via the internet. Moreover, appraisers are often instructed not to discuss their fee with the homeowner or the end lender. Such a request can only serve one purpose which is to conceal the true cost of the appraisal from the homeowner and or lender.

Since the primary goal of the appraisal management company is to maximize their profits the appraisers qualifications become secondary to the fee in which they charge. This sort of hiring practice may not ensure that the borrower or the lender is receiving an appraisal from the most suitable and/or qualified appraiser.

These practices also come at a time when our State is trying to make homeownership more affordable and create more transparency with respect to the costs associated with obtaining mortgage financing. All the while the aforementioned practices of the appraisal management companies makes it less affordable as the practice of marking up appraisals unnecessarily drives up the cost of mortgage financing and in turn homeownership within the State of

Connecticut. Not to mention that these practices also lead to less transparency with respect to the actual costs associated with mortgage financing as well as hiring appraisers who may not be the best suited for a particular type of assignment.

The same sort of steering, markups, bird dog fees, kick backs and referral fees have become prohibited practices in Connecticut with respect to the insurance industry, the real estate industry and the legal profession as the practice itself indivertibly leads to higher and unnecessary costs that are eventually passed on to the consumer.

At this time we request that the legislature adopt the following proposals which will undoubtedly lead to greater transparency with respect to the costs associated with mortgage financing as well as eliminate unnecessary costs associated with obtaining mortgage financing.

1) The only one who may charge a fee in connection with a real estate appraisal is an appraiser who has been properly licensed by the Connecticut Department of Consumer Protection.

2) Real Estate Appraisers shall be prohibited from sharing their fee with any one other than a real estate appraiser who has been properly licensed by the Connecticut Department of Consumer protection.

3) All appraisers must include and incorporate an invoice within each appraisal thereby reflecting the actual fee charged by the appraiser.

4) All appraisers must provide the homeowner/borrower with an invoice thereby reflecting the actual fee charged by the appraiser for their services.

Submitted by: CARA (CT Association of Real Estate Appraisers) 2/3/2010
Rob Clermont 203 – 675 -6902
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NORA KING

James Dimon
JP Morgan Chase

January 28, 2010

Dear Mr Dimon,

My name is Nora King and I am the owner of Nora King and Company which is a residential real estate appraisal company based in the State of Connecticut. Additionally, I am an officer of CARA (The Connecticut Association of Real Estate Appraisers.)

I am writing in regards to the appraisal management companies that your company has chosen to manage your appraisal process, moreover Quantrix and LSI.

In my experience these two companies are more focused on the mark up in which they are able to place on an appraisal. Procuring the most experienced appraiser with GEO competency at a reasonable fee is secondary to procuring the cheapest appraiser irrespective of that appraisers GEO competency.

As someone who works for both Quantrix and LSI I can attest to the fact that these companies are constantly trying to solicit the cheapest appraisers who are willing to appraise extremely complex multi million dollar homes for as little as 200.00 or 300.00 dollars.

As appraisers we have to maintain our appraisal work files therefore the aforementioned requests and others like them have been well documented by myself as well as my colleagues within the Connecticut Association of Real Estate Appraisers. To put it bluntly Quantrix and LSI do not care about your customer; all they care about is finding the cheapest appraiser so they can mark and profit off the appraisal service. Also, these same management companies threaten to black ball or decrease the ability of small appraisal offices to survive.

As the CEO of JP Morgan Chase I would hope you would be appalled that your company is allowing the aforementioned AMC's to procure your appraisals based on this methodology.

It is about time that the large banks take responsibility for allowing this practice to continue. I have an MBA in business and I love appraising. However, I have watched the AMCs slowly ruin this business mostly due to big banks like yourself allowing this to happen. You and other Chase executives talk about risk management continually in the news but yet you actually don't practice what you are preaching. I have hundreds of examples of this with supporting evidence on how Chase uses AMCs and doesn't care about the transparency to the consumer or practice strong risk assessment in the appraisal process.

Your further endorsement of fee erosion and poor quality of the appraisal process would never be tolerated if your own bonuses were tied to it. It seems like the big banks keep profiting more and more from the small business owner and the home buyer everyday!

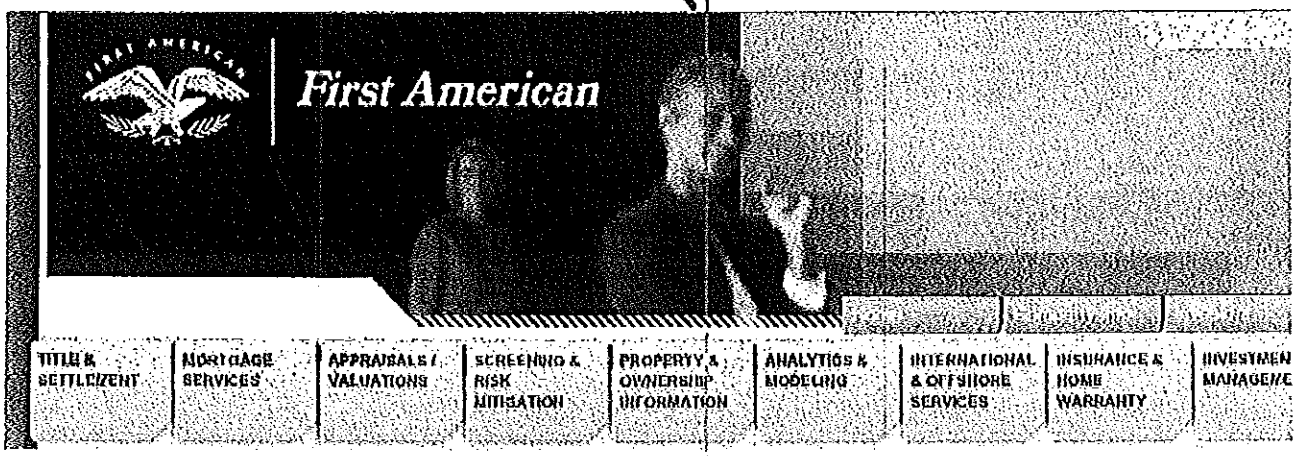
The appraisal is one of the most important steps in the mortgage process. A home is often the largest investment a consumer can have yet you continual endorse this process with AMCS. It must stop!

Regards,

Nora King
Nora King and Co. LLC
294 Rowayton Avenue
Norwalk CT, 06853

CC: CT Banking Commission, Appraisal Commission, Senator Chris Dodd, Senator Joseph Lieberman, President Barack Obama

JP Morgan Chase
aka Quantrix



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First America - Bloomington, MN
Tuesday, February 02, 2010

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POSITION SUMMARY:

Processing Analysts are responsible for the timely and accurate placement of all Conventional and FHA orders within 24 hours of their receipt. Proper placement is ensured by the PA's analysis of the appraisers available and selection of one that meets the company standard turnaround time, profitability requirements, and quality standards. Complete and concise documentation, as well as clear communication to all parties, is required on all files.

ESSENTIAL FUNCTIONS:

• Appraisal Management functions including answering incoming calls, placing of FHA and Conventional orders, telephone contact with the customer as needed, managing your assigned branch in box and other duties as assigned. These responsibilities may be changed from time to time as appropriate.

• Placing orders. Focusing on rushes, orders on Hold, Finals and orders over 48 hours old first. Order Placement standards are as follows: Conventional – Placed with in 2 hours of activation, FHA – Placed with in 4 business hours, Declines – Reassigned same day, and Holds – Followed up on daily until resolved. The goal is to have 92% of all orders placed with in 24 hours. Each PA will be responsible for calling on any non accepted orders within their area along with placement of new orders.

• Assuring vendor acceptance of the Quantrix Valuation standard turn around time of 5 business days.

• If an appraiser requests a higher fee or longer tat, the PA is expected to get a minimum of 2 other quotes (for a total of 3) in order to determine the best appraiser option for each order

• After eliminating all reasonable options in VOM (by checking previous orders in the subject area and checking the vendor coverage detail report) a One Time Vendor can be used, check www.yahoo.com or the other web-sites given.

• Shorten turn around times by establishing a good flow of communication with our appraisers, keeping in contact with both the appraiser and lender to accomplish this goal.

• Holds – When the reason a hold was requested is out of the appraiser's control, place the order on hold and contact the client to update them and-or request needed information.

• Fees – Products have a standard flat fee regardless of what state the property is located in on all properties up to 1 million dollar or 1.5 million dollars dependent on business line. For this reason it is important for PAs to attempt to place the order to an appraiser with the lowest fee to maintain our profitability. On orders over 1 million dollars the PA is to obtain 3 fee quotes from 3 different offices before assigning the order. In situations where we must use a one time vendor or fee appraiser the PA will need to check as many options as possible to obtain the lowest fee.

Maintain Profitability

• The use of fee appraisers should be limited unless determined to be the best option

• Documentation Habits – ways to improve
o Use the correct abbreviations and acronyms.
o Be clear and concise.
o Do not over abbreviate.
o Do not abbreviate when downloading notes to the client.
o Record the name of the person with whom you spoke.
o Record the person's position.
o Do not use one or two word follow-ups.
o Record the reason for a fee increase request.
Job Qualifications EDUCATION, EXPERIENCE AND SKILLS:

To perform this position successfully, an individual must be able to perform each function satisfactorily. The requirements listed below represent minimum levels of knowledge, skills and/or necessary abilities. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

REQUIRED:

• High School diploma or equivalent
• Strong analytical and problem resolution skills.
• Ability to be creative regarding current processes and future improvements.
• Demonstrated ability to work independently and meet multiple goals and deadlines.
• Effective time management and organizational skills.
• Proven ability in building, nurturing, and protecting customer relationships.
• Excellent oral, written, analytical and interpersonal communication skills.
• Professional demeanor.

PREFERRED:

• Proficient computer skills in Window-based software products such as Word, Access, Excel, Email and Power Point.
• 2-4 year college degree or equivalent relevant experience in the customer service field.

First American offers an empowered work environment that encourages creativity, initiative and professional growth. Our competitive salary and benefits package includes:

• Health, dental and vision care
• 401(k) retirement savings plan including a company match tied to profitability
• Long-term disability insurance
• Short-term disability insurance
• Discount stock purchase program
• Tuition assistance program
• Title and escrow fee reimbursement program
• Company credit union

First American Corporation is an Equal Employment Opportunity/Affirmative Action Employer and maintains a Drug-Free Workplace.
% of Travel Required None
NOTICE: Individual is responsible to adhere to First American Corporation's and department's compliance and information security policies, practices, and procedures, including the handling of systems and data, in the performance of the role.

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